

# **TENNESSEE ALCOHOLIC BEVERAGE COMMISSION**

**Minutes  
April 21, 2005  
9:30 a.m.**

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The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Thursday, April 21, 2005 in Nashville, Tennessee at 9:30 a.m. Commissioners John Jones, Harlan Mathews and Cynthia Bond were present. Director Danielle Elks, Assistant Director Carolyn Smith, CLEO Mark Hutchens and ASAC Andy Woodall were present from the staff.

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**1. The Minutes for March 17, 2005 Commission Meeting were approved.**

**2. RETAIL PACKAGE STORES:**

**A. NEW BUSINESS**

**1. PAL'S PACKAGE STORE  
Clarksville, Tennessee (Montgomery County)**

<b>Licensee/Seller:</b>	<b>Pal's Package Store, LLC</b>
<b>Members:</b>	<b>James Maddox and Kathy Maddox</b>
<b>Buyer/Applicant:</b>	<b>James Horace Heggie, Jr.</b>

Before the Commission is a request for a transfer of ownership of the retail store be located at 1810 Madison Street, in Clarksville, Tennessee. Mr. James Horace Heggie, Jr. intends to operate the business as with majority ownership interest (98%), and his wife having a minority ownership interest of 2%. Mr. Heggie plans to make an initial investment of approximately \$100,000 (financed through a loan at Cumberland Bank), plus the assumption of two debts at F & M Bank, and one at Cumberland Bank. During the course of review, it was determined that the Licensee failed to notify the Commission that his wife had obtained ownership interest in the business: a civil penalty has been paid. It should be noted that a provision in the Bill of Sale provides that if the Buyer sells the business during the course of the next five years, then the Sellers receive a percentage of the sales price. All documentation has been submitted.

**Discussion/Action Taken:**

Director Elks reviewed the application and stated that all documentation had been received. Director Elks stated that a citation had been issued for \$1,500.00 because James Maddox had given Kathy Maddox some interest to the store during the course of the application and not been approved by the Agency, therefore a penalty was assessed for failure to notify of true ownership. That has been paid and all of the documentation has been received. Director Elks recommended approval.

Commissioner Mathews made a motion to approve the application. Commissioner Bond seconded the motion and it passed with 3 ayes.

**2. J & A LIQUOR STORE  
Murfreesboro, Tennessee (Rutherford County)**

**Applicant: Joshua Sengsouk**

Before the Commission is a request for a new retail store located at 810 NW Broad Street in Murfreesboro, Tennessee. Mr. Sengsouk intends to operate the business as a sole proprietorship, and intends to make an initial investment of approximately \$50,000 from personal funds. All documentation has been submitted with the exception of the following:

1. Use and Occupancy Permit;
2. TABC Inspection;
3. Acknowledgement of the Rules and Regulations;
4. Verification of funding in bank accounts.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners and stated that all the requested information had been received but for the verification of funding in the bank accounts. Commissioner Bond made a motion to approve the application upon submission of the pending documents. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**3. RIDGEMONT LIQUORS  
(Currently operating as Barnett Liquors  
Memphis, Tennessee (Shelby County))**

**Seller/Licensee: Valencia Campbell  
Applicant/Licensee: Shirley Fugh**

Before the Commission is a request for a transfer of ownership of the retail store located at 3548 Ridgemont in Memphis, Tennessee. Ms. Shirley Fugh intends to operate the business as a sole proprietorship. The purchase price for the business is \$75,000 which includes the inventory. Financing is based upon personal funding and a \$48,500 line of credit at Union Planters. All documentation has been submitted. If approved, Applicant would request a name change from Barnett Liquors to Ridgemont Liquors.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Director Elks recommended approval of the application and the name change. Commissioner Bond made a motion to approve the application and name change. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**4. KIMBROUGH TOWERS FINE WINES  
Memphis, Tennessee (Shelby County)**

**Licensee/Seller:** Kathleen E.Z. Patterson  
**Applicant:** Kimbrough Towers Wine And Spirits, LLC  
**Members:** Roy and Kathleen Patterson

Before the Commission is a request to transfer ownership of the above retail store located at 1483 Union Avenue, in Memphis, Tennessee. Mrs. Patterson is the current owner of this business. She desires to incorporate and add her husband as a member of the LLC, with each owning fifty percent of the business. All documentation has been submitted.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners and stated that it should have been placed under Old Business because the matter had been continued from the March 2005 Commission meeting. Director Elks recommended approval. Commissioner Mathews made a motion to approve the application. Commissioner Bond seconded the motion and it passed with 3 ayes.

**5. RONNIE’S WINE AND SPIRITS  
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

**Licensee/Seller:** Ronnie’s Wine & Spirits, LLC  
**Members:** Ronald Pate  
**Applicant:** Kashish Corporation  
**Stockholders:** DiPak Patel and Ami Patel

Before the Commission is a request for a transfer of ownership of the retail store to located at 7022 Shallowford Road, Suite 5, in Chattanooga, Tennessee. Mr. DiPak Patel and Ami Patel intend to operate the business as a corporation, with Mr. Patel owning 60% of the stock, and Mrs. Patel owning 40%. If approved, Mr. Patel will operate as the corporation’s President, and Mrs. Patel will operate as the

corporation's Secretary/Treasurer. They intend to purchase the business for \$50,000 plus the cost of the inventory. Mr. Patel indicates that he will be investing approximately \$240,000 which has been obtained through personal savings and a line of credit. Ms. Patel indicates that she will be investing approximately \$160,000 through personal savings and a \$100,000 line of credit. However, DiPak Patel's brother, Haskmukh Patel, and Ami Patel's husband, Ketan Patel, together are the corporate owners of Gayatri Corporation, licensee of Oasis Liquors at 7000 Lee Highway in Chattanooga. Ami Patel's financing is based upon joint checking accounts with her husband and a joint line of credit with her husband at Community Bank of Trust. All documentation has been submitted with the exception of the following:

- a. Corporate of Tobacco Mart; and
- b. Verification of independent sources of financing for Ami Patel.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Director Elks stated that staff had just received documentation verifying the bank is loaning Ms. Ami Patel the money independent of her husband; however, such documentation has not yet been reviewed. Commissioner Mathews made a motion to approve the application upon Director Elks reviewing the document. Commissioner Bond seconded the motion and it passed with 3 ayes.

**6. MOUNTAIN TOP WINE AND SPIRITS, LLC  
SIGNAL MOUNTAIN, TENNESSEE (HAMILTON COUNTY)**

**Applicant: Mountain Top Wine and Spirits, LLC**  
**Members: David and Theresa Craig**

Before the Commission is a for a new retail store to be located at 1807 Taft Highway, Suite 7A in Signal Mountain, Tennessee. Mr. and Mrs. David Craig intend to initially invest approximately \$165,000. Financing is based upon personal funding and a \$120,000 loan with Amsouth Bank. If approved, Mr. Craig would own 60% of the business, and Mrs. Craig would own 40%. All documentation has been submitted with the following exception:

- a. Bank representative's signature on loan agreement.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Director Elks recommended approval pending the signature page. Commissioner Mathews made a motion to approve the application pending receipt of the document. Commissioner Bond seconded the motion and it passed with 3 ayes.

**7. H & M SPIRITS, LLC  
LOBELVILLE, TENNESSEE (PERRY COUNTY)**

**Applicant: H & M Spirits, LLC**  
**Stockholder: Joan Holder and Sandra Jo Mathis**

Before the Commission is a for a new retail store to be located at 113 South Main Street in Lobelville, Tennessee. Ms. Johan Holder and Ms. Sandra Jo Mathis intend to initially invest \$75,000. If approved, each would own fifty percent. Financing is based upon a loan with Bank of Perry County. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy Permit;
- b. TABC Inspection;
- c. Acknowledgement of the Rules and Regulations; and
- d. Verification of population of the City of Lobelville.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Director Elks stated that Perry County had a county wide referendum. The requirements for a county wide referendum is that retail package stores sales can only take place in incorporated municipalities that have at least a thousand (1,000) people. The City of Lobelville is incorporated, but does not meet the 1,000 population requirement within their incorporated boundaries. Director Elks stated that a municipality that has had a city wide referendum, must have a population requirement of 925. Director Elks recommended that this matter be deferred until some type of resolution can be made. Commissioner Bond made a motion to defer this matter until the May meeting. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**8. SOUTHERN WINE  
KNOXVILLE, TENNESSEE (KNOX COUNTY)  
(Currently operating as K's Package Store)**

**Seller/Licensee:** The Kay Corporation  
**Stockholders:** Norman and Martha Kratschmer  
**Buyer/Applicant:** Southern Wine and Spirits, LLC  
**Member:** James Joseph Maples

Before the Commission is a request for a transfer of ownership of the retail store located at 211 West Young High Pike, in Knoxville, Tennessee. Mr. James Joseph Maples intends to operate the business as a limited liability company. Purchase price for this business is \$155,000. Financing is based upon a \$135,000 loan with National Bank of Commerce (James Maples, Monique Maples, and Joe Maples are personal guarantors), and \$35,000 is based upon a personal loan with Joe Maples. It should be noted that the Applicant's mother and brother own 640 Liquor Store in Knoxville, Tennessee. If approved, Applicant would request a name change to Southern Wine. All documentation has been submitted with the exception of the following:

- a. Copy of Lease Assignment;
- b. Deed to Carl and Alma Mull;
- c. TABC Inspection;
- d. Acknowledgment of the Rules and Regulations;
- e. Written Acknowledgment that this store cannot be operated in conjunction with 640 Liquors or any other package store or business; and that while guarantors of the loan, Monique Maples and Joe Maples may have no other interest—directly or indirectly—in any other liquor establishment or business.

**Discussion/Action Taken:**

Mr. James Joseph Maples was present. Director Elks reviewed the application and stated that all documentation had been received but for the inspection. Director Elks further stated that a citation was being issued for \$1,500.00 for a sale to a minor to K's Package Store. Director Elks recommended approval upon settlement of the \$1,500.00 citation and the TABC Inspection. Commissioner Mathews made a motion to approve the application upon submission of the payment of the citation and the TABC Inspection. Commissioner Bond seconded the motion and it passed with 3 ayes.

**9. HIGH NOTE LIQUORS  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

**Licensee:** ESH, Inc.  
**Stockholder:** Elizabeth M. Hobbs

Before the Commission is a request to transfer location of an existing retail store currently located at 2621 McGavock Pike in Nashville, Tennessee. This request for a transfer of location is because the property where the business is located is being sold, and the new location is larger. All documentation has been submitted with the exception of the following:

- a. Lease from Hobbs & Son to Hobbs Enterprises, LLC;
- b. Use and Occupancy Permit;
- c. TABC Inspection.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Director Elks recommended approval of the transfer of location from 2621 McGavock Pike to 2471-B McGavock Pike, Nashville, Tennessee upon receipt of the TABC inspection and the Certificate of Occupancy. Commissioner Bond made a motion to approve the transfer of location upon submission of the pending documentation. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**10. HOLIDAY LIQUORS  
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

**Licensee/Seller:** Holiday Beverages, Inc.  
**Stockholder:** Fred Gatewood  
**Applicant/Buyer:** Jigisha Patel

On November 18, 2004, Mr. Jigisha Patel received approval from the Commission for the transfer of ownership of the package store located at 112-114 Royal Oaks Boulevard in Franklin, Tennessee—pending the submission of certain documentation. On March 3, 2005, TABC staff approved a thirty day extension for the sale to complete. However, as of the writing of the agenda, the sale has not yet been completed. Mr. Patel is requesting a final extension of time to open from the Commission.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Director Elks stated that she had advised Mr. Jagisha Patel that if he is not able to get the transaction closed by the date of the next Commission meeting, that he would have to submit another application. Commissioner Mathews made a motion to grant a 30 day extension. Commissioner Bond seconded the motion and it passed with 3 ayes.

4. **WINERY**
5. **SPECIAL OCCASION LICENSES**
6. **CONSUMER EDUCATION SEMINAR LICENSES**
7. **PERSONNEL** - Director Elks stated that we have hired Kimberly Engle, Special Agent 1 in Chattanooga and William Gamble, Special Agent 1 in Memphis.
8. **BUDGET**
9. **CONSENT ORDERS**
10. **PENDING MATTERS LIST**
11. **MISCELLANEOUS** – Director Elks stated that the Attorney General’s Office issued an Opinion indicating that some of our advertising rules may be unconstitutional. She also stated that the staff was reviewing to see what impact it has on the advertising rules for retail and liquor by the drink to see if it necessary to modify some of the rules.

Director Elks stated the Agent’s In-Service Training is being held in Cookeville from May 9 thru May 13, 2005.

**CAESAR’S  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

M & J’s Houston Levee Wine and Spirits has appealed TABC actions on Caesar’s Package Store to Davidson County Chancery Court.

**Discussion/Action Taken:**

Director Elks reviewed the application for the Commissioners. Director Elks stated that M & J’s Houston Levee Wine and Spirits has sued the Tennessee Alcoholic Beverage Commission (“TABC”) in Davidson County Chancery Court stating that we did not have the authority to issue the license because of Caesar’s review of the denial of the Certificate of Compliance to Shelby County Chancery Court. The Attorney General’s Office has agreed to represent the TABC in this law suit.



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**12. DATE OF NEXT MEETING – May 19 and June 16, 2005 at 9:30 a.m.**

There being no further business the meeting was adjourned.

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Shari Danielle Elks  
Executive Director

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John A. Jones  
Chairman